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FISCAL IMPACT STATEMENT

LS 6501
BILL NUMBER: SB 331

NOTE PREPARED: Feb 18, 2011
BILL AMENDED: Feb 17, 2011

SUBJECT: FSSA Matters.

FIRST AUTHOR: Sen. Miller
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- (1) Authorizes the Division of Aging (DOA), the Bureau of Aging Services (BOA), the Division of Disability and Rehabilitative Services (DDRS), and the Bureau of Developmental Disabilities Services (BDDS) to issue certain notice orders and citations against a provider that violates certain rules.
- (2) Allows the Indiana State Police (ISP) to release criminal background check information concerning the maintenance of a provider's license.
- (3) Requires the DOA to establish standards of practice governing the services provided by the Adult Protective Services Unit.
- (4) Requires the Alzheimer's Disease and Related Senile Dementia Task Force to develop a state plan concerning the provision of Alzheimer's and related senile dementia services and sunsets the task force on December 31, 2013.
- (5) Reduces the Statewide Independent Living Council from a minimum of 20 members to a minimum of 11 members.
- (6) Requires a family to be provided a cash assistance benefit of at least \$10 under the Temporary Assistance for Needy Families (TANF) program if certain income standards and employment earnings are met.
- (7) Specifies that access to a child support enforcement program and IMPACT (JOBS) training program are included as TANF services for certain eligible families.
- (8) Deems that a Medicaid recipient has automatically assigned certain medical support rights for the duration of the recipient's enrollment in Medicaid.
- (9) Changes the time after which certain Medicaid program changes may take effect from 45 to 30 days after issuance of the notice or bulletin concerning the change.
- (10) Removes language from the definition of "Medicaid inpatient days" concerning dually eligible

individuals.

(11) Specifies that certain recreation programs for school age children may be exempt from licensure requirements.

(12) Transfers administrative rules concerning aging to the DOA.

(13) Repeals: (a) a provision that requires the Adult Protective Services Unit and the DOA to destroy any records concerning a report concerning an endangered adult that is unsubstantiated; (b) expiration dates for the Office of the Secretary of Family and Social Services (FSSA), the Office of Medicaid Policy and Planning (OMPP), the statutes concerning directors of divisions within FSSA, and certain advisory committees under the FSSA statutes; (c) the law concerning Alzheimer's disease and related senile dementia programs; and (d) the law concerning supplemental payments for ambulance transportation services.

(14) Makes technical changes.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary:* Under the bill, state TANF expenditures are expected to increase by approximately \$224,000 per year.

The bill also contains provisions which will increase the workload of FSSA. According to FSSA, these provisions can be implemented using existing staff and resources.

The bill requires a law enforcement agency to release (or allow inspection of) the limited criminal history information of individuals who *maintain* child care licensure. Current law only applies to individuals who are *applying* for child care licensure. This provision may increase the number of limited criminal history background requests made by individuals who wish to renew their child care licensure.

As a result, this bill may increase the workload of the Indiana State Police to process additional limited criminal history background checks. Additionally, Bureau of Child Care expenditures are expected to increase to finance the limited criminal history background checks of licensed child care homes to the extent requests are made for individuals who maintain a child care license. (For more information, see *Limited Criminal History Background Checks*.)

Additional Information:

Temporary Assistance for Needy Families Benefits: This bill will provide a minimum \$10 per month payment to a recipient family under the TANF program if: (1) the family's income is greater than the established standard of need, (2) the family's gross income is less than 100% of the federal income poverty level, and (3) a parent or essential person receiving assistance has employment earnings.

According to FSSA, there was a monthly average of 1,866 employed \$0 TANF recipients between November of 2009 and October of 2010. These individuals would be eligible for the additional \$10 a month benefit provided under the bill for the remainder of their TANF eligibility. This bill will increase annual state expenditures by a maximum of \$224,000 if all working TANF recipients were to receive an additional \$10 a month payment. This provision may not require an additional appropriation if FSSA administrators elect to reallocate resources from other programs to cover the benefit increase. However this could potentially affect reversions.

(Revised) *Medicaid:* The bill specifies that an applicant for or recipient of Medicaid is considered to have

automatically assigned to the state their rights to medical support for the duration of their enrollment on Medicaid. This will eliminate the need for eligibility workers to seek a separate signature of assignment of rights. The state currently has rights of subrogation, so this change is not expected to place any additional requirement on the state. Individuals who refuse the assignment of rights will have the right to withdraw from the Medicaid program.

(Revised) Probate Code Study Commission: The bill requires the Interim Probate Code Study Commission to study if probate code should be amended to permit the sale of real estate in Indiana to satisfy claims made by the Office of Medicaid Policy and Planning, the United States, the state of Indiana, or a subdivision of the state. This is expected to increase the workload of the Probate Code Study Commission and would only result in additional expenditures if an additional meeting were held that would not have been held otherwise. Any additional expenditures would be within the commission's established budget.

Day Care Licensure: The bill adds a provision that a recreation program that operates for a maximum of 90 days per calendar year is only exempt from licensure requirements if the children provided for are of school age. The number of day care centers that would require licensure under the change is indeterminable, but is expected to increase. FSSA reports they currently have enough staff and resources to provide licensure inspections to any increase in day care licensure applications.

Destroying Records: The bill removes provisions that require the Division of Aging to destroy unsubstantiated endangered adult report records. This will decrease the work of the Division of Aging minimally.

Orders for Violating Providers: Under the bill, the directors of the Division of Aging (DOA) and Division of Disability and Rehabilitative Services (DDRS) would be allowed to issue orders against providers that violate rules created by either division for the administration of programs. This will increase the workload of the DOA and DDRS to provide these orders; however, the increase can be covered under current resource levels.

Repeal of IC 12-10-4 and IC 12-15-14.5: FSSA reports repealing these provisions will have no fiscal impact. Regarding the repeal of the pilot and training programs for Alzheimer's disease found in IC 12-10-4, FSSA has already awarded grants to successful pilot programs. Regarding the ambulance service reimbursement program found in IC 12-15-14.5, FSSA reports the federal Center for Medicare and Medicaid Services did not approve a state plan amendment and there is no fiscal impact associated with repealing this language.

Reducing Membership of the Statewide Independent Living Council (SILC): Statutorily, the SILC is required to consists of at least 20 members. The SILC is made up of both state employees and non-state employees, but does not specify which members are required to be state employees. Currently, SILC members who are not state employees are entitled to per diem, and both state employees and non-state employees are entitled to travel reimbursement and reimbursement of expenses incurred in connection with Council duties.

Currently, the SILC is made up of 10 members, as 2 members resigned as of September, 2010. These 12 current and former SILC members received \$34,776 in reimbursement during FY 2010 (or approximately \$2,900 per member). This amount was provided from FSSA expenditures.

This bill will reduce this minimum number of SILC members to 11 and should not, in its application, have a fiscal impact. However, with the ability of the SILC to conduct business with 9 less members, the state would not be liable for approximately \$26,100 in SILC member reimbursement. Actual decreases in state

expenditures will depend on (1) if the reduction in SILC membership are state employees or non-state employees and (2) the actual reimbursement amounts claimed by SILC members.

Limited Criminal History Background Checks: The bill adds individuals who maintain a child care license to the list of those individuals who may have their criminal history information released to noncriminal justice organizations. Current law only applies to individuals who apply for child care licensure.

Effect on Registered Child Care Ministries: According to FSSA, the Indiana State Police covers the expenses of performing the limited criminal history background checks for registered child care ministries. Therefore, to the extent noncriminal justice organizations request the criminal history information of child care ministry workers, the Indiana State Police could experience an increase in workload. As registered child care ministries are exempt from fees used to pay for processing these requests, ISP would have to manage the additional workload within their current level of resources.

The FSSA reports there are currently 733 registered child care ministries in the state; however, it is unknown how many employees and volunteers are utilized at these child care ministries and may be the subject of limited criminal history background checks.

Effect on Licensed Child Care Homes: According to FSSA, the Bureau of Child Care (BCC) does not charge child care providers or require ISP to finance requests made for the limited criminal history background checks of licensed child care homes. Therefore, to the extent requests are made for the limited criminal history background information of licensed child care home staff, BCC expenditures will increase.

Explanation of State Revenues: *Summary:* By increasing the gross family income TANF eligibility requirement from 250% of the federal poverty level (FPL) to 400% of the FPL, this bill is expected to increase the amount of state expenditures claimed towards the TANF maintenance of effort (MOE) to qualify for federal TANF block grant funds.

This bill may decrease state revenue from Class C infractions by repealing references to illegal activity concerning unsubstantiated endangered adult reports. Decreases in revenue are expected to be minimal.

This bill is also expected to increase state revenue received from limited criminal history background checks requested for licensed child care center and licensed child care home staff. Actual increases in revenue are indeterminable.

Additionally, the bill will allow the Division of Aging, the Bureau of Aging Services (BOAS), the Division of Disability and Rehabilitative Services, and the Bureau of Developmental Disabilities Services (BDDS) to issue notice orders and citations against providers that violate program rules. The bill is silent on the ability of the DOA and DDDS to specifically levy fines against providers who violate program regulations.

However, the bill specifically allows the BDDS and the BOAS to collect fines from violating providers. This bill may increase state revenue to the extent BDDS or BOAS levy fines against violating providers. Fines levied against violating providers cannot exceed \$10,000. The total amount of revenue BDDS and BOAS will collect is unknown and will depend on how many fines are issued to providers.

Additional Information:

Penalty Provision: Currently, if an individual unlawfully discloses information in an unsubstantiated endangered adult report, the act is a Class C infraction. The bill removes endangered adult reports from the list of these offenses. The number of Class C infractions in the state may decrease as a result. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any decrease in revenue is likely to be small.

Limited Criminal History Background Checks for Licensed Child Care Providers: This bill will increase state revenue from limited criminal history background checks requested for licensed child care centers and licensed child care home staff. No revenue will be received from requests made for registered child care ministry staff. The amount of revenue received will depend on (1) the actual requests for background checks made for child care center and child care home staff and (2) the manner in which the request is made. Actual increases are unknown.

Fees for background checks are as follows: \$16.32 for persons who do not subscribe to AccessIndiana, \$15 for AccessIndiana subscribers, or \$7 by mail. The FSSA reports there are currently 3,046 licensed child care homes and 595 child care centers in the state.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Endangered Adult Reports:* If there is a decrease in the number of court actions filed and judgments entered, local governments would receive less revenue from court fees. However, any decrease in revenue is likely to be small.

State Agencies Affected: FSSA.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Susie Howard, FSSA; Jim Dunn, FSSA; *Indiana Handbook of Taxes, Revenues, and Appropriations for FY 2010*; *Indiana Administrative Code*; *Program Inventory of Indiana's Social Services Agency* from December 2006.

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